

RÉSUMÉ DIGEST

ACT 325 (SB 243)

2017 Regular Session

Peacock

Prior law provided refundable tax credits for the cost of qualified clean-burning motor vehicle fuel property.

New law makes the credit nonrefundable for all purchases made on or after January 1, 2018.

Prior law provided for definitions of the cost of qualified clean-burning motor vehicle fuel property:

- (1) The cost of equipment necessary to convert a vehicle that operates on conventional fuel to operation using an alternative fuel and the installation cost of this equipment.
- (2) For a new motor vehicle originally equipped to be propelled by an alternative fuel, the cost of that portion of the motor vehicle that is attributable to the storage of the alternative fuel and the delivery of the alternative fuel to the engine.
- (3) The cost of equipment directly related to the delivery of an alternative fuel into the fuel tank of motor vehicles propelled by alternative fuel.

New law modifies the definitions of the cost of qualified clean-burning motor vehicle fuel property:

- (1) Adds the requirement that to be eligible for the credit for the cost of conversion equipment on commercial vehicles that are converted shall be registered and primarily operated in this state for four years after conversion.
- (2) Changes the definition of the cost of a new motor vehicle originally equipped to be propelled by an alternative fuel to the full cost of the vehicle.
- (3) Clarifies that fueling station infrastructure not directly related to delivering the fuel to the alternative fuel vehicle is not considered part of the "cost of qualified clean-burning motor vehicle fuel property".

Prior law authorized a credit for 36% of the cost of vehicle conversion equipment and fueling equipment.

New law reduces the credit rate to 30% of the cost of vehicle conversion equipment and fueling equipment and makes the reduction permanent.

Prior law provided that the purchaser of a new vehicle originally equipped to be propelled by an alternative fuel may claim the credit either on 36% of the value of the equipment directly related to the alternative fuel or, if the purchaser cannot determine the value of the equipment, 7.2% of the total purchase price of the vehicle or \$1,500, whichever is less.

New law eliminates the 36% credit for the value of the property directly related to the alternative fuel but retains the 7.2% credit and the \$1,500 per vehicle cap.

Effective upon signature of the governor (June 22, 2017).

(Amends R.S. 47:6035(A), (B)(2), (C)(1), (D), and (E); repeals R.S. 47:6035(C)(1) and (D) as amended by Sec. 5 of Act 125 of 2015 RS)